

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0915 CEST (0715 UTC) 1 July 2024

HCOB Spain Manufacturing PMI[®]

Slower growth of manufacturing sector in June

Key findings:

Production and new orders rise again, but at slower rates

Weaker growth in employment as confidence softens

Input cost inflation accelerates to highest since November 2022

Data were collected 12-21 June 2024.

Spain's manufacturing economy continued to expand in June, but at a more modest pace. Both output and new orders rose on the back of positive demand conditions, whilst firms continued to add to their staffing levels. However, growth rates were down in all instances, whilst confidence in the future hit its lowest level of the year so far. Cost pressures intensified, as input prices rose to the greatest degree since late 2022.

The headline **HCOB Spain Manufacturing Purchasing Managers' Index™ (PMI[®])** remained above the crucial 50.0 no-change mark in June, extending the current period of improving operating conditions to five months. However, a fall in the PMI – from 54.0 in May to 52.3 in June – signalled a slower, and more modest rate of expansion.

Supporting the PMI in June were concurrent, but slower, increases in both output and new orders. In each case, rates of expansion were the lowest in three months. Panellists noted higher demand from clients, with sales supported by positive commercial campaigns – both at home and abroad. Political and economic uncertainty did however serve to limit overall new business wins, according to panellists.

These uncertainties also manifested in manufacturers' own expectations. Latest data showed that confidence was noticeably lower than in May, dropping to the weakest of 2024 so far. That said, firms typically do retain positive forecasts for output and with orders set to rise further, companies recruited additional workers to serve both current and expected production requirements. Employment growth has now been registered for five months in a row, although the net gain in June softened since May.

Manufacturers also noted a marginal increase in their stocks of finished goods, partly due to positive order pipelines. Stocks of purchases in contrast fell for the first time in three months, reported to be the result of the slowest growth in purchasing activity for four months and delays in the delivery of inputs. According to the June PMI data, average lead times deteriorated to a marked and accelerated degree. It was the twelfth successive month in which vendor performance has worsened, with June's deterioration reportedly due to a mixture of low stock at suppliers and ongoing shipping delays through the Suez Canal.

June's data revealed a sharp and accelerated increase in input prices. Overall, inflation was the strongest recorded by the survey since November 2022 and partly linked to steepening shipping costs, plus rising prices for materials like copper, steel, paper, and cardboard.

Efforts to pass on higher costs to clients were generally limited however by market competition. Whilst output charges rose for a second successive month, they did so only modestly and to a lesser degree than in May.

Comment

Commenting on the PMI data, Jonas Feldhusen, Junior Economist at Hamburg Commercial Bank, said:

"Uncertainty following European elections is putting pressure on Spanish manufacturers. In June, the index value fell significantly from 54.0 to 52.3. A crucial difference compared to the whole of Europe, however, is that the index in Spain is still in the weak growth area, while it has recently signalled accelerated contraction in the Eurozone according to the Flash PMIs. Production and demand grew in June, but much more slowly than in May. Correspondingly, business expectations have fallen to their lowest level in 2024 and below the historical average.

"Spanish manufacturers are struggling with reaccelerating input prices. Panellists report that shipping costs and a range of raw materials especially were responsible for the reacceleration in input prices. While output prices have risen for the second consecutive month, the dynamic is significantly weaker compared to input prices. Due to market competition, companies only partially passed the higher prices on to consumers.

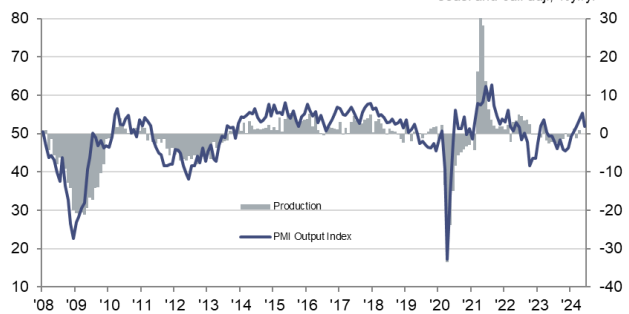
"The weaker but robust growth in manufacturing is still broad-based. Slower demand growth led to a softer pace in Intermediate Goods and Investment Goods activity growth. In the Consumer Goods sector, however, demand conditions improved, resulting in accelerated growth. Additionally, new employees were hired in all sectors. The intensification of cost pressures was particularly noticeable in the Intermediate and Investment Goods sectors."

-Ends-

HCOB Spain Manufacturing PMI
sa, >50 = improvement since previous month



PMI Output Index
sa, >50 = growth since previous month



Contact

Hamburg Commercial Bank AG

Jonas Feldhusen
Junior Economist
T: +49-151-2294-2945
jonas.feldhusen@hcob-bank.com

Katrin Steinbacher
Head of Press Office
Senior Vice President
T: +49-40-3333-11130
katrin.steinbacher@hcob-bank.com

S&P Global Market Intelligence

Paul Smith
Economics Director
T: +44-1491-461-038
paul.smith2@spglobal.com

Sabrina Mayeen
Corporate Communications
T: +44-796-744-7030
sabrina.mayeen@spglobal.com

Note to Editors

The HCOB Spain Manufacturing PMI[®] is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in February 1998.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index[™] (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Hamburg Commercial Bank AG

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients a high level of structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighboring European countries. It also has a strong market position in international shipping. The bank is one of the pioneers in European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure. HCOB offers individual financing solutions for international corporate clients as well as a focused corporate client business in Germany. The bank's portfolio is completed by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance.

Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2024 S&P Global Ltd. All rights reserved. www.spglobal.com

About AERCE

AERCE is the Spanish Association of Purchasing and Supply Management. Founded in 1981 has 1,000 members, representing more than 10,000 related professionals, which include the most important companies in the country, institutions and professionals belonging to various industrial sectors, services and the public sector.

AERCE is a member of the International Federation of Purchasing and Supply Management (IFPSM).

Email: info@aerce.org. Website: www.aerce.org.

About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi.html

If you prefer not to receive news releases from S&P Global, please email katherine.smith@spglobal.com. To read our privacy policy, [click here](#).

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.